



WASHINGTON STATE
GAMBLING COMMISSION

Field Operation Rule Interpretation

Question: Can funds accrued for a house banked progressive jackpot game be used to purchase a merchandise prize to award on a different game?

CITE: WAC 230-40-805(3) Progressive jackpot prizes-Procedures-Restrictions-House banking

SUMMARY

Issue:

House banked card room operators have requested to use money accrued in a progressive jackpot game to purchase merchandise prizes. This is allowed under WAC 230-40-805. However, operators would like to award the merchandise prize on a different game. This is not specifically addressed in the rule.

Reasoning:

Funds that have been advertised or displayed in any manner are deemed to be funds in which the players have a vested interest. Progressive jackpot funds may be used to purchase merchandise prizes which then must be awarded on the same game they were removed from, hereby satisfying the obligation to the players that have a vested interest in the game. There is also a provision which allows secondary or reserve funds to be removed if they are then recorded as gross receipts. These funds may also be used to purchase merchandise prizes.

Decision:

Progressive jackpot funds that have been advertised or displayed may be used to purchase merchandise prizes. However, the prizes can only be awarded from the same game funds were taken from. For example, a card room operator could take \$20,000 from the displayed prize on a progressive blackjack game and purchase a motorcycle for \$20,000. The motorcycle must then be awarded as a prize on the progressive blackjack game.

Funds in reserve or secondary jackpots may be reduced as long as they are recorded as gross receipts. These funds could then be used to purchase merchandise prizes to award on other card games. (Permission maybe needed from the owner of the rights to proprietary games to change payouts.)

Approved: Cally Cass
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